

How to Use These Documents

The Governor's budget for the FY 06-07 biennium consists of two volumes in three major sections as follows:

- The **Overview** section, described in more detail below, provides the fiscal, economic and policy context within which the Governor's budget for the FY 06-07 biennium was shaped and developed to achieve the budget outcomes and decisions that are shown in summary form. This major section includes the Governor's priorities and initiatives, the economic and revenue outlook, a description of the budget process, the current budget status, the fiscal outlook, the strategic planning and performance budgeting approach used by the State of Maine, the FY 06-07 budget by fund summarized by organization-wide policy areas and goals and a high level summary of the Governor's budget recommendations for the FY 06-07 budget.
- The **Budget and Financial Plan** section begins by describing the basis by which the budget is prepared and acted upon for all funds that are appropriated and allocated by the Legislature. This is the starting point for a more complete understanding of the manner in which the budget is balanced to achieve a complete financial plan for the FY 06-07 biennium. The remaining sections provide summaries and

explanations of recommended General Fund and Highway Fund revenues and the financing sources and uses for the General Fund and the Highway Fund as well as all fund sources that achieve a balanced budget for the FY 06-07 biennium. This major section further includes the capital budget, tax supported debt within the context of the budget, tax expenditures and the status of contracted social services in the budget.

- The **Strategic Operational Plans** section begins with the organization chart for Maine State Government. Budget requests and recommendations for the FY 06-07 biennium are displayed by department and agency within the framework of each organization's strategic plan. Each program strategy within a department or agency is shown in a strategic plan format. Each program strategy is connected to a department or agency goal and objective. Performance measures, activity descriptions and explanatory information about the performance measures are included with each program strategy. Position planning is shown by department, agency and fund over a 10-year trend period. Explanations are provided for significant year-to-year changes in positions and the underlying policy.

Overview

The **Governor's Budget Message** provides a brief summary of the underlying policy and fiscal challenges that frame the FY 06-07 biennial budget as a prologue to the **Governor's Priorities and Initiatives**. The **Governor's Priorities and Initiatives** section provides more detailed explanation in specific areas that the Governor considered important or critical from a short-term and long-term strategic point of view in shaping the FY 06-07 biennial budget. The **Economic Outlook** and the **Revenue Outlook** provide information about the expected condition of the Maine economy and the General Fund and Highway Fund revenues. The Maine economy drives the revenues, and the

revenues form the fence around which the expenditure side of the budget is developed. The preliminary **Budget Status** for the General Fund and the Highway Fund is presented and described for fiscal years 2005-06 and 2006-07. It is critical in shaping a budget to understand the fiscal challenges one must face. The **Fiscal Outlook** moves to the next step by isolating and describing specific weak points, trends and challenges for the General Fund budget and the Highway Fund budget. The **Strategic Planning and Performance Measurement** section explains the budget approach for the State of Maine that focuses on results and outcomes. Budgets are summarized by fund and

department or agency into **Organization-Wide Policy Areas and Goals**. Showing how budgets support broad goals for the State of Maine provides an overarching dimension for strategic planning and

performance budgeting. The sections summarizing the **Governor's Budget Recommendations** provide a high level view of the Governor's budget plan in table and chart presentations.

Budget and Financial Plan

The **Basis of Budgeting for All Funds** section explains the underlying accounting practice and treatment that form the budgetary basis for appropriations and allocations. General Fund and Highway Fund revenues are shown for each fiscal year of the FY 06-07 biennium. Columns are shown for base revenues, those forecasted by the Revenue Forecasting Committee, and adjustments recommended by the Governor. The base revenues are explained in the **Overview** as part of the **Revenue Outlook**. Explanations are provided for the recommended revenue adjustments. The **General Fund Unappropriated Fund Balance Status**, **Highway Fund Unallocated Fund Balance Status** and **Fund for Healthy Maine Fund Unallocated Fund Status** are shown for the FY 06-07 biennium in order to clearly show the balance between resources and expenditures for

these funds. The **Appropriations, Allocations, Revenues and Other Financing Sources and Uses** shows for the FY 06-07 biennium the balance between resources and expenditures, in a sources and uses presentation, for all funds appropriated and allocated by the Legislature. The **Capital Construction, Repairs and Improvements** section presents the complete capital budget plan and priorities for the FY 06-07 biennium. **Tax Expenditures** are provided as required by statute in order to show the estimated loss in revenue for Maine State Government caused by tax expenditures provided in statute. The **Contracted Social Services** section is provided for those programs identified in statute that are not recommended to receive cost increases in the current services budget for the FY 06-07 biennium.

Strategic Operational Plan

The **Organization Chart for the State of Maine** is provided. **Strategic Goals, Objectives and Performance Measures Connected to Funding** is shown in sections by department or agency and program strategy for each of the following budget elements:

- Current services (Part I).

- Budget adjustments (reductions and additions to Part I).
- New and expanded services (Part II).

Position Planning is shown in the form of a 10-year trend by department or agency and fund. Changes in positions over time by department or agency are explained in detail, along with the underlying policy with regard to position planning.

